

# THE PUBLIC RELATIONS JOURNAL

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INDUSTRY'S IRON CURTAIN

By JOHN W. HILL

CONFLICT OF TWO FAITHS

By VERNON SCOTT

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## THE PUBLIC RELATIONS JOURNAL

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THE  
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Editorial

ONE CRITICISM OF PUBLIC RELATIONS heard frequently these days is that we in the field are shallow. We are accused of being superficial. We are supposed to temper our thoughts and actions to the prevailing climate of opinion and interest in which we find ourselves and on which we depend for our livelihood. Our chief creed is said to be: Don't rock the boat; keep sweet and smiling; make friends of everybody.

Typical of such appraisals is a statement made during the past week by one of America's brilliant scientists, a university professor with an international reputation. "The average public relations man does shoddy work because he does shoddy thinking," said he. "My own work brings me in contact with a number of so-called leaders in the field. Not one of them is a scholar. I might even go further and say not one is even a student. And still they want public relations to be taught in our colleges and universities. They want to make a *profession* of it. What nonsense!"

Stuff and nonsense in turn, we say. The professor simply does not know what he is talking about. *We* know that we have many thinkers in our ranks. Why, the very success of our work depends upon careful, painstaking thinking. *We have* to be students of life in action. Otherwise we would be a disruptive instead of a constructive force in society.

But actually is the professor, or are we right? Does not the truth lie somewhere between the two of us? These questions

will bear careful study. If we are as good as we say we are, there is nothing to fear. If, on the other hand, we are as bad as the professor says we are, we had better do something about it.

Of course, we must remember that the professor and we approach public relations from different positions—so different, in fact, as to make us almost as far apart as the poles. Value for the professor is measured in terms of scholarship. Does one have a mind stored with exact knowledge? Is one capable of dealing profoundly and exactly with one's field? Depth and breadth of thought are the measure of one's calibre. How thoroughly and intelligently one performs the tasks he sets himself determines his usefulness to himself and society.

We approach the matter differently. As *practicing* public relations men and women we place more value upon *action*. We operate under constant pressure. We have little time for thinking thoroughly and profoundly. Decisions have to be made. Plans have to be put into operation. Versatility, quick thinking, vigorous action are at a premium. Scholarship has little place in our daily work. Intelligence and thoroughness are cardinal attributes, to be sure; but only if they can be made practically useful in meeting and solving problems.

And so the professor and we operate on different value levels.

But, even so, *we* cannot afford to forget that until we can find some way to bring him and us together our aspirations for

public relations will suffer. No profession of importance has yet been built without a foundation of scholarship. In the long run scholars determine whether a field of knowledge, as represented by the leading minds in it, is important and valuable enough to bear the label of a profession. And in the main scholars reside in colleges and universities. We may inveigh against the scholar who speaks sharply and critically of public relations. But he holds the whip hand. Until we can satisfy him and others like him, we will not get far in our efforts to make public relations a profession.

### A Warning

And so the professor's criticism should be a warning. It should arouse us to take stock of our shortcomings. Why should we be too proud to admit that we are not all we would like to be? Why should we not strive, individually and collectively, to improve "the public relations worker" to the point that he will be acceptable to everyone, the professor included?

If we do no more than read *good* books we will make a start. We must admit that by and large we are superficial readers. Digests, short tracts, brief reviews, news letters, occasional forays into the columns of trade journals are our intellectual diet. That is not enough solid food to make us mentally strong and keep us growing. It is said, "an apple a day keeps the doctor away." By the same token, a good book a month might put us over the hump.

Then for the good of our calling each of us could set aside some time to think deeply and constructively about public relations. We are doers, but we can become thinkers, too. Heaven knows there is enough for us to think carefully and soberly about. If we were to devote our attention alone to the responsibility of public relations in this hour of trial for mankind we would have enough to keep us fully occupied every hour we could afford to devote to the task. The demands of good citizenship call for that.

Then there is the matter of defining the limits of our budding profession and determining the rules under which it will function constructively. Who shall be admitted to our ranks? What will be their qualifications? How much freedom or control shall be theirs?

Assuredly such tasks invite—yea demand—scholarship of a high order in those who bear the responsibility of leadership in public relations. One way to develop scholarship is to cultivate it in ourselves. Another is to encourage it in others. The encouraging effort we can probably make most effectively through public relations courses in colleges and universities. We want professionals with sound scholarship. Let's turn that job over to those who make a profession of educating and training minds. Some of the good minds they work with will turn out to be the scholars we seek. And that will be good for them and us.

There will almost surely be a valuable by-product of such a development, too. Through the very act of educating students for usefulness in public relations work, the professors who now look askance at our calling will become exposed to its many values. They will sell themselves on its usefulness and potentialities. They will feel that they are having a hand in shaping it. They will become a part of it—and us. Pride of workmanship will make them do a good job.

### Public Relations for Public Relations

Then what could we in public relations do better at the moment than exert every pound of weight we can muster to get public relations accepted as a part of the curriculum of every standard college and university in the land? This task includes improvement of the quality and scope of public relations courses now being offered. We talk much about doing a public relations job for public relations. Here's an opportunity made to order. We've got our work cut out for us. Why not get at it?

—Rex F. Harlow

# Industry's IRON CURTAIN

By JOHN W. HILL

Senior Partner, Hill and Knowlton of New York, Public Relations Counsel

THE MOST SIGNIFICANT and hopeful trend in the field of public relations today is the new and growing emphasis on employee and community relations.

This is more than a mere reflection of the simple truth that public relations like charity should begin at home. It is a long over-due recognition of the fact that the line of communications between management and its workers and neighbors has broken down and that something must be done about it.

Industrial management lives in one world, the workers live in another. An iron curtain stands between.

Like that other iron curtain between Russia and the outer world, this one between management and labor has produced distrust and fear. On each side abound misunderstanding, misinformation and ignorance of the other's viewpoint. While these conditions prevail there can be no industrial peace and the very existence of competitive enterprise itself is under constant threat.

Industry's Number One public relations job today is to break through the iron curtain and reestablish the shattered line of communication with workers. Good employee communications are not the only answer to labor problems, but certainly they are necessary to any effective program of public and industrial relations. And hand in hand with good employee relations go good community relations.

The best of all possible carriers of good will in the community are employees who feel that they have a good place to work. Dissatisfied and resentful they become the focal infection for the disease now spreading throughout our economic system.

What is going on behind the iron curtain in the shop? Well we know, for one thing, that the minds of many workers are being drenched in a reckless propaganda of distortion, deceit and phoney economics. Much of this propaganda comes from labor union sources. Obviously the purpose is to build up the barrier between management and men.

By some strange coincidence the poison propaganda indulged in by many unions is down the communist party line. It is no secret that some of the big industrial unions are now wholly dominated by communists, while in others the communists are strongly entrenched. If there is any difference between the party line as exhibited by the *Daily Worker* and many of the powerful union organs, it is not visible to the naked eye.

Getting many workers to understand and accept the simple multiplication table rules of economics is not easy at best. It is made a thousand times more difficult in the face of the phoney economics and class hatred preached by some labor unions and, in late years, by government itself. The greatest and most costly fallacy of all was the now exploded idea that prices could be controlled while wages were freed.

## What Is Industry Doing About It?

Meanwhile, what has American industry done? With a few notable exceptions, very little, and that little usually has been ineffective.

So it is not surprising that a large segment of the industrial workers in this country think that management is hard-boiled, stubborn, uncooperative and wholly indifferent to their welfare. A recent survey of employees in one large in-

dustry showed that 54 per cent of the workers held this opinion.

One of the easiest fallacies to get workers to believe is that industry is rolling in fat profits. The result is that poll after poll of industrial employees reveal fantastic ideas of their employers' profits. One such poll recently made in a large industry showed that workers think there is a profit of 25 cents on each dollar of sales. They think that is too big and say about 10 cents would be about right.

Actually, when that industry makes 5 cents on the dollar it is really booming. There the employees are, berating industry for huge profits at the very time when the profits are only half of what they themselves call fair. A situation like that might be funny if it weren't so tragic.

### **How Employee Misinformation Is Exploited**

Here is another example of employee misinformation, one that right now is being exploited by a labor union. According to a recent announcement of the United Electrical Workers Union, wages must be substantially increased because living costs have gone up and because there has been an exorbitant rise in the profits of their industry.

This is absolutely a safe union tactic. No worker is going to dig into the latest bulletin of the National City Bank of New York to find out that the electrical equipment industry went into the red for a total of nearly five million dollars in the first half of this year. And it is a good bet that the companies themselves have not put that fact across to the employees.

If workers have been taken in by false propaganda they are not entirely to blame. Like the people behind Stalin's iron curtain, they have heard only one side of the story. Management has fallen down on the job of getting the facts to employees.

The great majority of American industrial workers are good Americans just like the rest of us. They believe in the system

of free enterprise. They don't want to see it destroyed. They don't realize that many of the things they are being asked to support now would destroy it. Also they do not realize that many of the measures proposed on their behalf actually would harm them. They are entitled to the truth and the facts.

### **First Step—Win Workers' Confidence**

The task of getting facts to workers in acceptable form is not child's play. The mind of many a worker is sealed by his suspicion of the boss. The first step in the job is to win the confidence of workers.

One trouble is that management has been inclined to sulk in defiant silence on its side of the iron curtain. It has forgotten that those on the other side are just folks too, with all the feelings, desires and emotions of the rest of us. Management sometimes lets itself believe that labor wants to abolish profits and take over management. But the mass of union members have no such ideas.

The iron curtain has thrown our compasses off. If we don't tear it down and set another course we are headed for trouble.

### **Communications Once Were Good**

In years past, when industry was smaller, a boss could talk to his men and his men could talk to him. Then there was no iron curtain to throw either side off the beam. Any man could go direct to the boss with his questions and his problems and the boss could answer him, man to man. Employee communications were direct and highly efficient.

Eventually, as industrial units grew larger, the employer got so far away from his employees that he became a symbol to them rather than a flesh-and-blood man. And at the same time they became statistics to him, rather than people. Nobody asked any questions, and nobody volunteered any information.

### Labor Bosses Also Isolated

The same thing is happening to the labor union chiefs. Now that unions themselves are big business, the labor big shots are just as remote from their individual members as any big industrialist. As masters of the art of bargaining, as procurers of wage increases, the Phil Murrys and John Lewises are unexcelled. One rank-and-file union member was recently quoted in a magazine article as complaining "It's harder for us union members to talk with our union heads than with top management."

The meaning of all this is that right now, the average employe of industry is without a real leader. He knows his Grievance Committee members. And in some office building in Pittsburgh or Washington there are people who negotiate contracts for him. There are men who will lead him off his job and on strike. There are others who would lead him to the voting booths and tell him how to vote. There are still others who claim they have his blessing when they lobby for OPA and no amendments to the Wagner Act.

Nobody seems concerned with him as a man. He is just a worker, a voter or a dues payer. Nobody but himself and his family seems to care about whether he's going to have a job tomorrow, or not. Nobody is telling him that if he produces more he will earn more. In short, he has no leader.

### Employer the Logical Leader of Labor

The logical leader of labor is the employer. He had the job before he lost contact with his men. He can become their leader again if he is able to restore two-way communication between himself and his employees.

In so doing he will not trespass in the least upon the legitimate domain of labor unions. There is nothing in the principle of unionism nor in the laws which govern labor unions and collective bargaining that grants labor unions a monopoly on giving employees facts about the busi-

ness. There is nothing which gives unions a monopoly on showing some human understanding of the feelings, desires and gripes of the workers.

If the iron curtain is to be torn down, it will be up to the employer to do it. The individual employee cannot. And his spokesman, the head of his union, will not, because to most labor union officials the iron curtain is an advantage.

Any company, if it tries, can blast open effective channels of communication between itself and its employees. Here are some of the steps:

*First*, find out what employees think about the company. It's important to know what people in the community think, too.

*Second*, analyze the results of the survey and decide what corrections and reforms in working conditions, management policies and procedures and supervisory personnel are needed and are practicable.

*Third*, compile a list of general subjects about which employees and the community public are misinformed or ignorant, and develop the information.

*Fourth*, make a study of the various ways by which information can be transmitted effectively to employees and the community and determine which of these methods are best suited to your company.

*Fifth*, start the program before it is too late. Proceed carefully, however; don't break out suddenly with a lot of hoop-la.

The importance of Step Number One cannot be over-emphasized. Without it there is no way to do the rest of the job intelligently. That there is a need for better management understanding of employee attitudes is no new discovery.

Whiting Williams of Cleveland was one of the early exponents of the idea 25 years ago. His method was to get a job in a steel mill, coal mine or automobile factory and work and live with employees for months at a time. In this way he learned at first hand what was on the workers' minds. He knew what they thought and talked



about, their gripes and bellyaches.

More recently a variety of new techniques has been developed, some of them still in the process of being perfected. A new group of specialists in this highly specialized field is appearing.

The technique used by some specialists in discovering employee attitudes is to assemble employees in small groups and present each of them with a printed questionnaire several pages long. After explaining that management for its own guidance wants to know what the men think about their jobs, no punches pulled, no holds barred, and assuring them of the anonymity of their comments, they are asked to fill in the questionnaire. Success of this method depends on ability to allay natural suspicions that the outsider is a management stooge. That is possible, though not easy. Then, too, the union must be shown that nothing is being done to undermine collective bargaining.

By this method all employees of the plant are polled. Management never sees the individual questionnaires, but the results for each department are sifted, analyzed and charted. The technique has proven its value in uncovering irritating working conditions, bad supervisory situations and a host of other revealing facts, hitherto unsuspected by management.

Another method is that of sampling public opinion in the community with both employees and townspeople being interviewed. This is particularly useful because it kills two birds with one stone, giving the company a check on both employee and community attitudes at the same time.

One other approach is that of having trained outside researchers in the plant over a period of months to interview supervisory people and study management procedures generally. What they are looking for is management flaws and supervisory weaknesses.

All of these methods are useful to management. But more than that, the fact that they are being used is an encourag-

ing sign of increasing management enlightenment.

Regardless of the method used to check employee attitudes, one glaring and insistent fault usually appears—namely, the lack of adequate competence or training of supervisory forces. Obviously there are too many square pegs in round holes. Where this weakness can be corrected, half the battle is won. Moreover intensive education and indoctrination of foremen and other supervisors certainly is an indispensable part of any employee communication program.

There is nothing academic or starry-eyed about the whole problem. It is enormously practical and urgently important. Today labor efficiency and productivity in many large manufacturing industries is 20 to 30 per cent below normal. On top of that are constantly recurring strikes and threats of strikes. Industrial management is confronted with a problem of the utmost seriousness. If ever management was called upon to find out what is wrong and do something about it, that time is now.

### What Should Be Talked About

In the field of economic education the employer in self defense must dispel the prevailing fog of misunderstanding about the division of profits. There is every indication that employee misinformation about profits is at the root of much labor unrest today. Employees do not object to the profit system, as such; they merely think they are not getting their fair share. One large company is taking newspaper advertising space in plant cities to show that labor gets 95 cents of each dollar left after all expenses before wages and dividends.

Another subject of great interest to employees is the social and economic importance of what he is producing. Tell him what the product is, where it is used, how it benefits the user. Let him know that the work he does is important, proud work. He will feel less like a cog in the produc-



tion machine. He will have a greater inner sense of human dignity.

Messages of that kind go to the heart of labor problems. That is why Step Four, selection of the best techniques of communication, is vital. What the employer has to say must be formulated, expressed and delivered in such a way as to convince the employee.

Next to the worker's desire for a fair wage is the desire for job security. That is a very natural feeling. Any man wants to feel secure in his job. The size of his pay check is important and so are good working conditions. But even a well-paid worker in a clean and airy plant thinks about security for himself and his family.

Labor leaders know that's true. Many of their demands of late have been for things that add up to more security for the individual. Welfare and insurance funds are among these, and so is the guaranteed annual wage.

The wise employer will take this desire for security into account in his communication with employees. That does not mean that to win confidence of his employees he must guarantee an annual wage, willy nilly. But he can let the employees know that he is truly concerned with the human element involved in the problem. Perhaps if his company makes soap or some similar consumer commodity with small seasonal fluctuation of demand, he will find a guaranteed annual wage practical for his company.

If his company makes steel or some other material subject to widely fluctuating demand, he will make the facts clear to employees. He will do everything he can to bring greater stability in employment and production to his industry and let the employees know about it. I know of no employer who doesn't long for stabilized production just as much as his employees desire stabilized employment.

### **Credit Where Credit Is Due**

And he should do all this voluntarily, not because some labor union or the gov-

ernment is holding a pistol to his head. A good rule to remember is this: "It isn't only what you do, but how you do it." Many of industry's greatest contributions to employee welfare are unhonored today because of faulty timing in the doing, or insufficient publicity let somebody else get the credit.

### **Employees Want the Facts**

According to a recent survey, four out of every ten companies make no effort whatsoever to report profits and prospects to their employees. And the companies who do report to their employees do the job so inadequately that only one worker out of five is aware that his company ever tells him anything.

Yet seven out of ten employees want their employers to tell them the facts.

When employees know how the company is doing financially, and what it does with the profits, they pay less attention to those who attack business. Take the employees of "Company X" for example. This company is one of the few which is doing an outstanding job in communicating to its employees the facts about company profits.

An opinion poll of employees of "Company X" showed that they had far better comprehension of management's problems than employees in companies which made no effort to talk profits to their men. And, inferentially, the employees of "Company X" seemed more satisfied, more secure.

"Company X" employees, for instance, believe that out of every dollar their company pays out in wages, in dividends, and in salaries to top management, 69 cents goes to the workers. By contrast, workers generally through the country believe they receive 25 cents, and that stockholders and the bosses get the rest.

Half of "Company X's" employees think that both the top executives and the stockholders of their company are being paid about the right amount. While there is room for improvement here the

record is a lot better than in companies which do not talk profits to their employees. In such companies only 39 per cent of the employees think top management compensation is "about right," and only 28 per cent think dividends are "about right."

### **Informed Employees Favor Business**

On the question of more government regulation of business: over one-half the employees who are well-informed about their company's profits are opposed to it, as against only 38 per cent of uninformed employees. And where 60 per cent of well-informed employees believe that companies in competitive industry should be allowed to make as much money as they can, only 49 per cent of the uninformed favor unlimited profits.

How much success a company achieves in communicating information to its employees depends largely upon its skill in using the various techniques available. As the score stands today, it is apparent that the majority of American industrial companies have not discovered the secret of successful communication.

### **Too Little and Too Poorly Done**

Too little information, too poorly and too infrequently presented, is the case in too many companies. There are some who think it is sufficient to pass out to their employees once a year the same type of old-fashioned annual report to stockholders that was prepared twenty years ago.

Such reports were not very helpful to stockholders in the first place, and it is a waste of time and money to send them to employees. The addition of a few photographs of plant and products and the inclusion of a lead article in big type about the company's problems produces a better report for stockholders. It still falls far short, however, of getting across to the employees.

Most employees prefer to see their companies prepare a special report for them alone. They say it would be easier to

understand, that it could be slanted to give them a clear idea of how they fit into the picture. They don't want as many financial details about their company as most people—including some management and labor union officials—seem to think they do. About all they want to know is how much was taken in from sales, how much was paid out in wages, how much in salaries and how much in dividends, and how much was left. It is incomprehensible that any employer today would knowingly withhold those facts from his employees.

### **Employee Magazines Can Help**

Employee magazines can be used to tell the story, but like employee reports, they cannot do the job all by themselves. Especially the kind that contains mostly items about what man in what department is that way about what blonde from the accounting office. And just as bad are the employee magazines that are padded heavily with boiler plate about free enterprise and the blessings of the capitalistic system.

To help in destroying the iron curtain, an employee magazine must have personality, character and guts. It has to be written exclusively from the employee point of view. It carries personal news, because those items are important for getting reader interest, but it is not to be too heavy with trivial personal items.

There will be educational material too—the kind that reflects employee self-interest as much as his labor union pamphlets do. The whole publication from cover to cover will present and explain the news as the employee sees it, in terms of his interests, and in language he understands.

Other techniques of employee communications include employee manuals, and news and advertising in local community papers. Some companies have used these techniques with considerable success.

### The Printed Word Is Not Enough

The printed word alone, however, is not enough. A few companies have made movies. Some use posters. Others letters. Techniques useful in one company may not be practical in others but there must above all be a determination to use every feasible channel of communication.

However, somewhere in every employee communication program there is need for the spoken word. Study of various methods disclose that there is no substitute for the man to man, heart to heart talk between management and men.

The ideal situation is for top management to go directly to the men in the shop. But obviously in large establishments that is impossible. Then plant managers and supervisory forces must do the job. One company I know of has a foreman for every 15 employees and great pains are taken to tell the story to these foremen and to train them how to transmit it to their men.

In medium-sized companies there is no excuse for top management shrinking from this job. In one company with about 1,600 employees the executive vice president has the assignment of talking to every employee in small groups at intervals. He covers each shift in each department over a period of several days. These groups consist of from 25 to 50 employees who are encouraged to ask questions, no matter how embarrassing. All questions are answered, frankly and unreservedly. Nothing is held back. The men have a

feeling of being "in the know" and their loyalty to the management is real. The company has never had a strike. Management has established itself as the leader.

Naturally, such programs cost money. Sometimes when business gets tough, the management may be tempted to save the dollars spent for employee communications. I recently heard of one large company whose sales and profits had dropped off faster than costs. In an effort to get costs in line, it stopped the employee magazine which it had published for a number of years. The company is now without a channel of communication of any sort from management to men. Another company, the largest in its industry, never has had a vehicle for talking with its employees.

Like it or not, except in a few companies and plants, the iron curtain is a fixture of industry today. It is up to management whether it stays there, or is removed. If it remains much longer private business is licked, destroyed by its own unwillingness to preserve itself.

Business can never regain its prestige and leadership just by sitting on its hands and expecting to profit by somebody else's mistakes. If it wants to go on doing business it must fight for survival. The best place to start is to regain the leadership and friendship of its employees and its neighbors in plant towns. What good is it to sell the so-called public on free enterprise, while a running sore of hatred and misinformation persists in the hearts of millions of industrial workers?

*JOHN WILEY HILL, senior partner, Hill and Knowlton, New York public relations counsel, was born in Shelbyville, Indiana. Upon graduation from Indiana University he entered newspaper work. In 1915 he became a member of the editorial staff of the Cleveland News. Two years later he joined the Penton Publishing Company, Cleveland, as financial editor of its publications.*

*Hill became a public relations consultant in 1927 and in 1933, joined with Don Knowlton, former advertising manager of the Union Trust Company, to form his present firm—with offices in New York, Washington and Cleveland.*

# The Conflict of Two Faiths

By VERNON SCOTT

President, Vernon Scott and Loring Schuler; Vice President, National Tax Equality Association, Chicago

**A**S MY TEXT for this discussion of public relations, I can find no more appropriate or significant words that the opening paragraph of the last annual report of the Standard Oil Company of New Jersey:

"It is clear that two faiths are meeting in conflict all over the world today—at home as well as abroad: a belief in an expanding freedom and responsibility for the individual, versus a belief in an expanding authority of the state, even though the result may be a contracting freedom for the individual."

That is a temperate statement, but it is filled with tremendous implications. It sums up the issues that today confront those who believe in our present economic system; issues that are rushing us into the greatest ideological war of all times. It points out the rapidly developing problem of American business—our business. Business in its present form cannot long exist under "an expanding authority of the State."

New patterns are being woven into the fabric of world economy. Those patterns are not identical, as yet. They represent the slightly divergent plans of totalitarian radicals. All of these disagree among

themselves. They squabble about this and that. Among them there are ideological dissensions and contradictory opinions. But their disagreements are in detail, for at the bottom they are all collectivists and they have in the end one common cause: Their hatred of and opposition to democracy and capitalism, and their determination to exterminate it.

All this is quite as true here as it is abroad—though here it is mostly expressed in undertones, in crafty intrigue and sly boring from within. Here, too, there are the varying shades of red and pink.

However, internal quarrels, here as abroad, are not over the end they seek, but over methods of achieving that common goal. And so they promulgate their doctrines by a propaganda that constantly grows more effective. To date they have produced no constructive plan to bring to the common man the blessings and the roseate future that they promise.

Indeed—and mark this well, for it is of paramount importance—the best that these collectivists can hold out to their disciples is a near-approach to the production efficiency and the high standards of living that have been developed by democratic-capitalism in America. In Russia, in England, in Italy, in China, wherever you may go, the pot of gold at the end of the totalitarian rainbow is the well-fed, fully implemented sort of life that has been created by American business; that and nothing more.

Why, then, doesn't American business boldly tell our people the whole story? Why not assume the leadership that is needed in this day of danger?

How can it be done, you ask? By a competent, over-all program of public relations; a program that will reach all of

This article is extracted from an address made by VERNON SCOTT before the Board of Directors of the Indiana State Chamber of Commerce on October 5.

Mr. Scott is a Kentuckian, born in 1903. Eighteen of his business years were spent as an officer of the California State Chamber of Commerce. Since he has been retained by other civic organizations in a consulting capacity on matters of organization and finance. He is the president of the firm of Vernon Scott and Loring Schuler, Organization and Industry Counselors with offices in Chicago and San Francisco. He is vice president of the National Tax Equality Association.

the public, not merely our own business groups.

It is apparent that the term "public relations" means many different things to many people. To some, it is no more than a modern, dressed-up definition of publicity, getting little favorable pieces in the papers. To others, it represents a part of advertising. Still others think of it essentially as propaganda, without the stigma that attaches to that word. It is explained as making friends and influencing people. It is construed as molding public opinion.

### Broader Definition

Our own definition includes all of these phases, and more, much more. As we see it, public relations is concerned with the broad aspects of economics, sociology, psychology and political science. It is the over-all guide in advertising, publicity, customer relations, labor relations and political activity. It is making friends. It is creating public opinion. Even more, it is generating public action.

True enough, there may be little public relations programs for an industry, a company, even for an individual. A politician must use public relations in his campaign for election. A preacher employs public relations to bring folks to his church.

But any public relations program in business that is designed merely to cause our customers, our employees and the general public to think well of us as an individual or a company is a transitory thing if in the meantime the whole system under which we function is undermined and destroyed.

Today, public relations is basic in the fight for freedom as against totalitarianism. It is being used by both sides as the two faiths come to grips, and it is being used more effectively, in many ways, by the totalitarians than it is being used by the democratic capitalists.

That is the proper term for our American system—Democratic Capitalism.

Neither democracy, as we understand and practice it, nor capitalism can live and prosper without the other. Both are the products of individual freedom and responsibility. Both died in Germany, Italy and Russia when individual freedom was relegated to limbo.

The forces of the other faith know this. They oppose all democratic processes. They have destroyed party government, free elections, the free press, minority rights. They oppose the capitalism of free and individual enterprise.

Unfortunately, in the camp of those who believe in Democratic Capitalism there is disunity and confusion. Among businessmen themselves there is all too little cohesion and coordination of effort. Bigger business brushes off its natural ally, little business. Little business criticizes big business even while it strives to get big on its own account. Instead of working together, to solve their common problems for their common good, they pull apart—and a house divided is an easy prey for a united opposition.

Also, and most unhappily, there are the apologists—those who wring their hands, who harp forever on the mistakes of the past, who agree with the charges of the opposition, who trip to regimented countries and come back with glowing praise of totalitarian management.

### A Steady Task

Those who would support our faith must function day and night, week in and week out as advocates of Democratic Capitalism; never as apologists. That men and institutions are imperfect is recognized by all reasonable men, but when abuses occur they can be corrected by the legal and legislative procedures of the democratic process, which do not exist under totalitarianism.

What are the weapons that we have at our disposal in the conflict of the two faiths? How can we coordinate our resources, our techniques, our leadership? What are our objectives? Aren't they:

*First*, to prove to the American public the superiority of Democratic Capitalism over any other form of social economy?

*Second*, to reestablish the free American market?

*Third*, to cause the people to look to their own free institutions instead of to Government for the solutions of social and economic problems?

*Fourth*, to bring the story to the public by means of competent leadership and proved techniques?

These objectives should meet the approval of every supporter of Democratic Capitalism. The task is, of course, to sell them to the people. But if we go to the people and get enough of them to agree with us, we may be sure that ultimately legislatures, commissions, agencies, and courts will also favor us.

Surely, that is not a job to discourage us. We do a magnificent job of selling our products and our services to the public. We ask no favors beyond equality of justice and equality of opportunity. We expect no preferment without effort in our business. Should we ask for more in the fight to sustain the faith upon which our business life depends?

### Time For Action

Admittedly, we face a fight. But we know our antagonists. We know the ideologies that these opponents are striving with might and main to impose upon our Nation. We know the stakes involved—the centuries of cultural, social, religious and economic values that these others are trying to pull down. We know that to sustain our faith we must make an organized appeal to the minds and hearts of our fellow Americans. And we must know that if we lose, all that we hold dear will also be lost.

It is late, but not too late. The time is short. Suspicions are already planted in the minds of our customers and our employees. But those suspicions can be wiped away. Problems of major proportions are involved if business is to be

restored to its former high estate and faith is to be reestablished in us and in Democratic Capitalism. All of these problems, however, can be solved by a wise psychological approach, by sound understanding and skillful application of public relations in all its phases, social, economic and political.

### Let's Face the Facts

In recent years, many businessmen have employed public relations in a restricted sense, but they have thought mostly in terms of their own companies, seldom of their industries as a whole, and, tragically enough, scarcely at all of the vital relationship between their individual problems and the problems of the broad system of Democratic Capitalism, with which they will in the end either stand or fall.

The whole is greater than any of its parts, but the parts are vital to the whole. To attempt to build favorable public acceptance for one single company, or even for a single industry, when the entire system is in danger is as futile as trying to save a single room in a burning house. To let one unit perish is to cut a link and expect the chain to remain as strong as it was before.

The facts may as well be faced. The Democratic Capitalistic system is slowly but surely being undermined by regimentation, the forerunner of totalitarianism.

It is in the arena of politics that the final battle will be fought and decided.

Our public relations effort, to succeed, must always consider the political front. The future of the Democratic Capitalistic system is inextricably bound up with the machinery of democracy itself, which means practical politics. This is plainly so. Political decisions, if left to demagogues, are by fiat, not by reason or sound judgment. Political decisions, by the people themselves, can be influenced by right or wrong.

What has more effect on the business decisions that affect our relationship with



our customers and employees than elections, taxes, social security, housing, price control and other laws, all of which are matters of politics?

In view of such complexities as these, and others, business faces many difficulties in developing its program to win the public mind. The need for leadership is great.

Many companies have tried, by their own generous efforts, to cure the disease that has attacked them. They have experimented with a year-round wage, with pension plans, vacations, consultations with employees, simple accounting statements. The results, while beneficial, have not stopped the spread of the ailment.

### Not the Answer

The attempt of a single company to be "good," in its efforts to establish happier relations with the public, is generally misunderstood. Self-praise is of doubtful value. It is viewed with suspicion by both employees and customers. It brings counterblasts from practitioners of the other faith. Being good is not the answer. A good man may be struck by lightning and killed quite as quickly as a crook or a racketeer.

We say that we must convince and win the public if our problems are to be solved. But just what is the public? Who are these people we must reach? Where are they? How can we get in touch with them?

There are approximately 135 million people in the United States, but to think of them as a homogeneous whole is patently stupid. As owners and renters, they live in some 35 million domiciles. They drive in normal times, 30 million motor cars.

Among these millions, there are some 60 million employees, 7 million farmers, 6 million small business men. There are millions of Democrats, millions of Republicans. Millions belong to fraternal organizations. There are millions in church membership, womens clubs, veterans'

groups, labor unions and universities. There are more millions in trade associations, chambers of commerce and the weekly-meeting luncheon clubs of businessmen.

The American public, as it must be considered from the public relations point of view, is made up of well over 300 million members. It is these members which are important—not total population. For the contacts of these members with American institutions strongly influence their attitude in economic, social, and political matters.

It is the democratic institutions to which members belong that have to date saved Democratic Capitalism. It is through the members of these institutions that our present system can be made to survive.

In conducting a campaign for public understanding, these members must constitute your army. Their aims and aspirations are, on the whole, good. They are constructive. With few exceptions, they sing no hymns of hate. Their good will is essential and it will be all-powerful when business develops a program to coordinate and to direct these friendly forces.

### Time Is Growing Short

Very well, you say; how much time have we to get ready? Not long. It is widely predicted that capitalism cannot withstand another major depression. And you are not sure that this dire prediction may not turn out to be right, unless something is done to make the public assess the blame to the basic causes which are other than the failure of Democratic Capitalism.

Yet the sad truth is that the opposition—the other faith—is gaining steadily, while we are standing still.

Why? Because they are telling their story, and we are sitting idly by, complaining a little now and then, but putting forth no consistent effort to save ourselves.

In themselves, weapons are inanimate,

useless things. In the hands of men of soaring faith they become irresistible.

Can we expect the popular will to manifest itself in favor of Democratic Capitalism if its apostles are mute, if they are whining and afraid, if they speak in confused tongues?

Of course not! Our army must be organized to use the weapons that we have at hand. A mob cannot.

The opposition is so organized. We are not.

Our first line of action, quite obviously, is to prove to the American public the superiority of Democratic Capitalism over any other form of social economy. It must be done by example, by comparison, by chapter and verse out of the books of *both* faiths.

Here at home we must constantly preach and prove that a planned economy destroys free markets, shackles free enterprise, reduces the standard of living for all, beats down private initiative and cripples competition, the life blood of democratic capitalism.

Here at home we must constantly teach that a healthy social economy is produced by our wants, balanced by our industry and production in satisfying them. That it stimulates support of the arts, of religion and social institutions. That it encourages happiness and tranquility by uniting our efforts.

### How We Can Help

What greater contribution to the public welfare can we make than to help provide leadership to sustain the faith that feeds the physical and spiritual needs of free men?

Leadership and basic concepts must be given by those who occupy the seats of responsibility. Techniques and tactics can be furnished by the numerous practitioners of the art of public relations.

Already, many companies have full-time men devoting their time and energy to this all-important effort. There are many well-trained public-relations firms

that can fight effectively for our faith, but we must give them the weapons of leadership: company and industry support.

We must weed out the defeatists and the faint of heart, the apologists and the appeasers. The job to be done calls for men strong in the faith. There must be a banner raised under which your proponents can rally.

In this vital conflict, business must make no little plans!

### What Is the Job?

What is the job to be done? It is a job for men who take the long view.

First, increase our own company efforts. Call in our best company talent. Enlist the aid of our advertising agency. Consult competent advisors.

Second, work with other leaders in our industry to set up an industry-wide program. Employ skilled counselors to gather the facts and tell the story of the entire industry, as it relates to the welfare of employees, customers, townspeople, small merchants, farmers, churches, schools. Remember that in the court of public opinion our individual company will always be judged less by its own performance than by the reputation of the whole industry of which it is a part.

Third, work with our local, state, and national chambers of commerce and trade organizations. They can say things about our company and our industry that we cannot effectively say.

And then coordinate! Perhaps it can be done through one of the great national organizations—the U. S. Chamber of Commerce, NAM, CED, or some other. Or perhaps that too will have to be built from the grassroots as this new program begins to unfold. But coordination we must have, to insure that the whole public gets our message; not just the active practitioners of capitalism.

Business statesmanship is developing as the conflict opens. Formerly, it was unnecessary. Then all that was asked of us

(Please turn to page 33)

The third and concluding part of a historical study of the development of public opinion measurement in America.

## The Researcher's Flaming Torch Keeps Burning Bright

By BEN S. TRYNIN

Research Editor, American Council on Public Relations

### PART III

BOTH THE PSYCHOLOGICAL Corporation and Claude Robinson's Opinion Research Corporation developed continuing studies of current public opinion. The first named its effort an Index of Public Attitudes, the other a Public Opinion Index for Industry.

The Index of the Psychological Corporation was based on questionnaires circulated in 125 cities and towns, and probed a number of controversial issues. (Learned that, although 64 per cent held that the unions had the right to strike, 49 per cent held that employers had the right to shut plants down when dissatisfied. Over 65 per cent favored a candidate for Congress to vote strict labor laws; nearly 60 per cent would vote against a CIO-backed candidate.)

The Public Opinion Index for Industry surveyed public opinion on strikes, annual wages, big business, stockholder and foremen's attitudes. It was financed by exclusive subscription, and its results revealed to its exclusive sponsorship only.

In 1945, a feud developed among two growing schools of thought on the matter of opinion-influence. Those who backed the American Leadership Panel (Radnor, Pa.), seemed to feel that the opinions of various key persons—business professional and civic leaders—influenced the attitudes of others in the community. Others, such as Paul Lazarsfeld and Mills, of the Bureau of Applied Social Research (Columbia University) believed—after surveying 2,000 people for *True Story*

that such opinion-influence ran along horizontal social lines. Workers gained their opinions from other workers, and not from Mr. J. P. Morgan.

Those who watched this conflict of opinion theorists might have recalled a statement made in October, 1941, by J. Howard Denny, president of Franklin Simon (N. Y.) before the Sales Executive Club (N. Y.): "One person can prove one thing by making a survey, and another can make another survey and prove the opposite."

Critical discussion of opinion-poll theories was not lacking. During 1945, Edward Bernays (and others) let loose a lambasting calculated to sear the hides off the scientists pursuing this opinion-poll activity. Bernays pointed to various methodological obstacles, and to the fact that polls could reflect the neurotic biases of people interviewed.

During that same year (1945), a Committee on the Measurement of Opinion, Attitudes and Consumer Wants published a lengthy report of its year-long analysis of various refinements needed to improve poll methods. This group, which was sponsored jointly by the National Research Council and the Social Research Council was comprised of Gallup, Roper, Crossly, Elder (Lever Bros.), Battey (Compton), Cantrill (Princeton), Deming (U. S. Budget), Hauser (Census), Hovland (Yale, Lazarsfeld (Columbia), Lucas (NYU), Shewart (Bell Telephone) and its chairman, Stouffer (U. of

Chicago). An executive committee functioned with Wilks (Princeton) as vice chairman, and Stanton (CBS) and Likert (U. S. Agriculture) as co-members.

Together, they sampled the various sampling techniques, and, in the end, produced a lengthy evaluation of what they found. (Not too many samples, but a few representative samples, were desirable.)

Further refinement of reaction testing was indicated by the organizing of a Chicago agency (Rohrer, Hibber and Replogle) which specialized in the psychological factors "which make up the complexes we call public relations, customer relations, dealer relations, labor relations . . . human relations." It offered to canvass opinion among specific groups—regionally, locally, or ideologically (i.e. religious groups, etc.).

### Industrial Relations Research

Opinions of employees were eagerly canvassed in many war plants for the sake of morale improvement. The War Department encouraged such efforts.

As a matter of fact, industrial relations research work dates back to those years before World War I, when men like Viteles, the psychologist, Whiting Williams, social student, and Meyer Bloomfield, social service executive, were exerting their valiant pioneer efforts.

During World War II, definite programs of industrial relations research were none too plentiful. At Lockheed, an entire department was organized for such work, headed by Dr. Dwight Palmer (MIT), with the able assistance of Le Baron O. Stockford (University of Southern California). General Motors retained A. T. Court. Other war plants left it to their personnel departments, and some good work has been reported. The NAM, Conference Board, and U. S. Chamber of Commerce published some worthwhile studies from time to time.

Benge Associates, Chicago management counseling firm, published the results of various employee attitude studies

made by it for various clients. Their method was that of a "secret ballot"—workers were asked to drop unsigned replies to a questionnaire into a ballot box under the supervision of a trained Benge field man.

Some results: most workers demanded job-satisfaction more than wage-satisfaction; morale is better in small companies than large ones; most prefer pay increases based on merit rather than seniority (oldsters, of course, preferred seniority). Younger workers were more ambitious, older ones more loyal. Unions were invited, where operating in a company, to share in this voting procedure. It was learned that such gripe methods brought release to workers' pent-up emotions, but the purpose was ruined when corrective action, to meet gripes, did not follow.

Forrest Wallace and Associates of Los Angeles, in 1945, conducted a few effective attitude surveys in plants where labor disputes threatened. In one case, gripes against a prevailing grievance procedure were narrowed down to a 5 per cent segment of workers. Others, who lacked enthusiastic support, were discovered to be vague on the details, and the management was urged to do more employee education.

The Merchants and Manufacturers Association of Los Angeles published, in 1944, a survey of turnover costs, in which the median cost, among 49 California firms, was found to run as high as \$200 nearly. Estimates ranged to \$4,000 in the case of certain firms. These results received nationwide attention.

### Post War Research

In 1941, the Simmons Company was already engaged in research to determine its merchandising policies "when markets returned to normal."

In 1942, the National Association of Retail Grocers made a joint survey with the *Saturday Evening Post* on the post-war plans of American grocers (found them more fully converted to the display

and sales of nationally advertised brands).

Just after V-Day, MacFadden interrogated a sampled group of younger housewives on their postwar buying plans. *N. Y. Herald Tribune, Chicago Tribune*, and a few others, made elaborate surveys into the postwar buying plans of local families, covering almost every single article that could be imagined.

Problems of returning veterans have received full attention. Gallup had a returning veteran poll his buddies on the train carrying them home from the separation center. The average boy had salted away some \$1,700 and didn't expect to spend it all at once. Food habits were turned by Army living—hydrated and some canned foods were definitely off the list for a while. At Alleghany College it was found that veterans made good students; some who had been dullards in prewar courses had brightened up and become brilliant scholars after their return from the ranks.

Small business problems were not overlooked. Most postwar research in this field has been done by Senate committees, with Senator Murray at the helm; Dewey Anderson (Stanford) assisting.

Thurman Arnold has been described as having joined a Senate small business consultant (Daughters) in forming Independent Business, Inc. (Washington, D. C.) to do a public relations job for small business and free enterprise, and to provide a staff for specialized research in this field.

### In Foreign Markets

Research into foreign postwar developments has seen its beginning. Most colorful is one started by James M. Vicary who has set out to make a worldwide survey in Esperanto. He reported that 400 Esperanto-speaking correspondents, in 21 different lands, were ready to form a panel on opinion, radio, product and consumer matters, in their different countries.

Postwar research for churches has been urged by Stewart Harral, (University of Oklahoma press relations director) in his recent book on *Public Relations for Churches*. He urged the clergymen to go forth (like Jesus) among their flock and meet them face to face in their living walks.

### Religion, Minorities, Prohibition

Knights of Columbus (Seattle) has been investigating the many reasons for religious bigotry, by inviting letters from non-Catholics reading its weekly advertisements.

Surveys of various philanthropic activities flourishing in the war-boom years have been urged by leading business editors. Last year the National Industrial Conference Board published one such report.

Postwar attitudes on prohibition were revealed in a survey made among publishers (February, 1945) by the American Business Men's Research Foundation. They were asked to state their policies on alcoholic beverage advertising. (Most replied that they were impartial; they would run advertising for both liquor and anti-liquor interests.)

Postwar attitudes on minority groups and racial intolerance are urged as promising fields for research in months to come. Since 1928, various inter-racial groups have been at work, some with a considerable amount of publicizing—such as the National Conference of Christians and Jews—others with less publicity, as the League for Inter-racial Cooperation. The latter is reported to have field crews assigned to various cities—where race tensions threaten—where methodical surveys of group relations are now being pursued.

Recently in the *Saturday Review of Literature* (March 16, 1946), an urgent plea for further research was voiced by Dr. Henry Pratt Fairchild, noted social student:

"Most of us, including even some who

rank as experts in this field, have made very little effort to understand the real nature of group feeling . . . and the diverse emotions and sentiments associated with groups. . . .

"Yet exactly this kind of care and study is indispensable if the grave and urgent problems that arise from group relations are to be dealt with efficiently and constructively . . . not to say, scientifically."

### Greatest Minority Group

As one reader later remarked, the greatest minority-group problem, in the postwar period, is that of the "employer group." Compared to other mass-populated groups, theirs is the smallest of all—if you exclude the albinos found in commercial museums.

Postwar research into the relations existing between American employers and their community is beginning gradually to emerge.

Herman Nelson Corporation, heating and ventilating manufacturer (Moline, Ill.) pursued a study to measure the impact of its operations on the income and welfare of its community, and advertised the results in the local newspaper.

In 1944, the Department of Commerce completed another survey of the distribution accorded to the corporate income dollar, and discovered that, while 61 cents went to employees, about 18½ cents went to taxes, and 9 cents to net profit.

A Guaranty Trust Company bulletin bore this comment at the time: "An equal distribution of total income (between capital and labor) would be grossly unfair to labor."

Before the war, and despite the depression, a survey revealed that the stockholders of 16 largest corporations had increased from 983,000 in 1929 to 1,611,000 in 1941. In November, 1946, the National City Bank (N. Y.) declared that research showed these stockholders actually outnumbered their employees in at least 72 of the 100 largest American

corporations in 1945. These 72 corporations were found to have 4,083,000 stockholders, and 2,925,500 employees (ratio of 1.4 to 1). General Motors had 425,940 stockholders, 345,940 employees. Packard Motor Car Company had 10.4 stockholders for every single employee.

N. W. Ayer, in an advertisement, informed the public of a survey made among 143 top management executives in 50 corporations. All had risen from the ranks; their average starting wage had been \$13.40 per week.

Early in 1946, a few labor unions had surveyed the employment situations in their communities (Minnesota, San Francisco) and began to advertise the fact that more local employers were needed, and should be encouraged to settle in the community, in order to help their own memberships.

In the summer of 1946, Professor E. Wight Bakke, of the Labor and Management Center of the Yale University Institute of Human Relations published his tentative theory of "adaptive" human behavior. According to Russell Porter (*N. Y. Times*), such "inquiry illustrated the growing interest among business men, economists and educators in research in the social sciences as a stimulant to industrial peace."

Dr. Donald K. David, of the Harvard Business School, referred to a similar solution at a CED meeting, and an NAM meeting of editors, during the same months.

### The New Frontier

Both emphasized the field of human relations as a "new frontier" for exploration by business and industry, to build a society able to make better use of our great technical progress.

Professor Bakke's theory was psychoanalytical. Every worker had a personal goal which, frustrated, brought unrest. Frustrations must be studied, and solved, analytically and impartially.

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# The State Capital Goes to the People

By PAUL M. ROSS

Executive Director, Indiana Department of Commerce and Public Relations, Indianapolis

"GOVERNOR GATES, you and your official family from Indianapolis have given the best demonstration of government in action that this community has seen. We hope you'll return next year."

Throughout Indiana this statement summarizes the unanimous verdict of local sponsors — educators and civic leaders—to what is probably the most unusual example of public relations ever attempted by a state government.

The idea of "taking the state capital" to the public through a series of Governmental Service Conferences was conceived by Governor Ralph F. Gates shortly after his inauguration as Hoosier chief executive in January, 1945.

It was predicated on his often expressed belief that the best government is that which is closest to the people. The experiment, for such it was at the outset, was based on two premises:

1) Citizens are entitled to know as much as possible about their state government and their officials.

PAUL M. ROSS has been executive director of the Indiana Department of Commerce and Public Relations since opening of the department June 1, 1945. Before taking this job, he had served as Statehouse and political reporter of the Indianapolis *Star*, as managing editor of the *Clearwater* (Fla.) *Sun*, and as acting director of public relations (for three years) for Butler University. During the war loan drives, he was director of publicity for the Marion County (Indianapolis) War Finance Committee and assistant director of publicity for the Indiana War Finance Committee. A native of Indianapolis and a graduate of Butler University, he is a member of the Butler chapter of Phi Kappa Phi and of Sigma Delta Chi.

2) The officials themselves function best when they know and understand the problems of the people on the local level.

In purpose and demonstration, the Governmental Service Conferences are essentially educational. Different cities throughout the state are selected as the "state capital for a day." There the state officials conduct a series of conferences and meeting with residents of that part of the state. Heads of those fifteen to eighteen departments whose duties are most directly related to problems of local citizens and local officials were chosen by the Governor to accompany him and Lieutenant-Governor Richard T. James to these clinics.

With slight variations, these departments have been as follows: Attorney General, Aeronautics, Commerce and Public Relations, Conservation, Economic Council, Education, Employees Retirement, Employment Security, Fire Marshal, Flood Control and Water Resources, Highway, Labor, Legislative Bureau, Public Health, Tax Commission, State Police and Traffic Safety, Veterans Affairs and Public Welfare.

To date, the primary basis for selecting the territory covered by these clinics has been along congressional district lines, with a city conveniently located within that territory serving as the "capital."

The first conference, held last December in East Chicago, embraced populous Lake County which makes up the entire First congressional district. The second conference in January in South Bend included the four counties of the Third congressional district. The third in Evansville in February included seven

counties of the Eighth district, while the fifth conference in New Albany in April included five other counties of the Eighth district. The fourth clinic was in Terre Haute in April and included five counties from the Sixth and Seventh districts.

The temporary Statehouse is either a public high school or a college. Each conference is an all-day affair, beginning at 9:00 a.m. and ending some time after 9:30 p.m., and has three distinct phases.

1) Morning sessions, which consist of classes for high school seniors from the entire conference territory. Department heads act as teachers in as many classrooms of the school as there are departments participating. In communities where there are colleges and universities, special classes are arranged for those students. Since all phases of the clinics are open to the public, with no tickets or special qualifications required, adults frequently attend the morning class sessions.

2) Afternoon sessions, which are devoted to informal round-table conferences by state officials with local officials, labor representatives, civic and business groups, taxpayer organizations and individual citizens. These sessions are held in the same rooms used by the departments during the morning class work.

3) A night dinner meeting, at which the Governor summarizes results of the day's activities and then throws the meeting into an open forum session during which he and his department heads answer questions asked by the audience.

#### **Brief Address by Governor**

The morning sessions open with a brief convocation in the school auditorium for all high school seniors and their teachers. The only speech is by the Governor who, after being introduced by the local general chairman, takes about ten minutes to outline the conference program. Music for the convocation is usually by the band or orchestra of the host school.

At 9:30 pupils divide into as many

groups as there are departmental classrooms and in accordance with a schedule previously arranged in their own schools. Each department conducts three classes during the morning, so that every pupil has an opportunity to attend that many departmental sessions. Bells signal beginning and end of each period.

The afternoon round-table conferences with individual citizens and various groups open at 1:30 p.m. and continue until 5:00 or 5:30. There is no set program for these conferences. However, at least ten days in advance of the clinic, department heads send letters of invitation from their Indianapolis offices to persons or groups whose problems are related to departmental functions.

The response to these invitations varies with both general and local conditions, but all departments report active interest in these meetings and discussions. The largest attendance on the average has been reported by the aviation, highway, veterans' affairs, education and public health departments. However, in some of the communities, labor and flood control problems have been foremost in public interest.

Many questions of local importance have been started on their way to a solution by these informal discussions and the facts which they disclose.

#### **Classwork Procedure**

To make morning class work both interesting and educational, the Statehouse "instructors" divide their time into a lecture period and a question-and-answer period. Lectures are supplemented by distribution of leaflets, pamphlets and other material describing functions of the departments.

Motion picture films implement the health lectures. The Conservation Department shows colored slides of Hoosier state parks and also displays numerous enlarged colored photographs. The State Police Department has an informative safety exhibit, including equipment and

photographs. Many departments also utilize large charts. Case histories are illustrated.

The large majority of high school seniors who attend these classes are enrolled in history or government courses. In addition, before going to the clinics they receive advance preparation in their own history classes on the service conference program. Questions and problems are suggested by their teachers.

All of this means that the students are unusually alert and keep department heads constantly on their toes in dealing with questions thrown at them during the question and answer periods.

At one of the conferences, Lieutenant-Governor James as director of the Department of Commerce and Public Relations had just finished a discourse on advertising the industrial advantages possessed by Indiana when an alert pupil from one of the coal mining districts asked:

"But wouldn't the state be able to do a better job of advertising if the owners of abandoned strip mines were compelled to beautify the land?" There could be only one answer to that!

At one of the meetings, a member of the staff of the Indiana Department of Conservation counted the questions asked during the three classes conducted by that Department. There were more than ninety.

#### **Attendance Large in Each Classroom**

Pupils have exhibited a serious attitude throughout the conferences. Disciplinary problems are nil and the pupils pay strict attention to lectures. This is true despite the fact that attendance often ranges from sixty to one hundred pupils in a room.

Governor Gates is kept busy throughout the day seeing individuals and delegations eager to talk with him, but at the first conference in East Chicago, he adopted a policy which he has followed at each succeeding clinic. He made a tour

of all classrooms. Opening the door and stepping inside, he smiled at the teachers and pupils and said:

"Just checking up on teacher to see whether he's on the job." Nothing significant, but just one of those homespun little qualities which make young Americans realize that their public officials are human.

As indicated earlier, the whole plan of the Governmental Service Conferences was an experiment. There was no previous pattern on which procedure could be modeled. Consequently, every effort has been made to improve upon the program as the clinics progressed. The night meetings constituted the greatest source of concern until the present plan was evolved.

At the first two conferences, night meetings to which the public was invited were held in the high school auditorium. However, the attendance was not what had been hoped for.

Consequently, it was decided to adopt a plan of scheduling dinner meetings, sponsored usually by the local Chamber of Commerce and for which tickets were sold. This plan has been followed at the last three conferences. Every effort has been made to sell tickets to representatives of the various social and economic groups of the local community. The dinner is held usually in a large hotel dining room. To date, a capacity crowd has been served at each of these dinners and scores of other persons have come in to hear the program following the dinner. The success of these dinner meetings would seem to prove once again that people appreciate things more when they pay for them.

#### **Advance Planning Important**

Thorough advance planning and detailed preparations are essential to the success of any project of the magnitude of a Governmental Service Conference. The closest co-operation between the Statehouse and the local sponsoring groups is demanded from the moment

that the conference enters its embryonic stage until its birth several weeks later. Governor Gates asked the Department of Commerce and Public Relations to assume responsibility for handling arrangements in conjunction with the local committee. Working closely with this department is another state agency, the Department of Public Instruction.

### Building the Program

As soon as a conference "capital" is selected, a general committee to supervise all the arrangements and plans is appointed by local groups comprising the sponsors. This committee and the executive director of the Department of Commerce and Public Relations then meet to outline the specific program and determine the facilities that will be required.

Details which require decision and action include the following: choice of school, place of luncheon for state officials, selection of a dining room for the evening dinner, convocation plans, method of handling students, assignment of school rooms to the various departments, erection of directional signs and cards designating departments, the timing and extent of publicity by radio stations and newspapers, and all supplementary promotion work.

Conference planning begins at least five to six weeks ahead of the date chosen, and the executive director of the Department of Commerce and Public Relations usually meets with the local committee three times in order to check all arrangements. Publicity, released according to a prearranged schedule, is issued by the local committee chairman.

Because the number of high school seniors participating in these conferences ranges from 1,000 to 3,000, preliminary planning in the schools is a necessity. One of the officials from the Department of Public Instruction makes a personal call on each county school superintendent to explain the program and invite his cooperation. To date, only high school

seniors have participated; accommodations have not been sufficient to care for a larger number of pupils.

The teachers, and through them each pupil, are provided with mimeographed classroom schedules. Pupils are assigned to certain "classes," being divided as evenly as possible among the eighteen departments.

Seniors are urged to take notes as a basis for special reports. School authorities excuse them from their regular classes for the day. Transportation to the host school is by regular school busses.

### Press and Radio Coverage

Coverage of the conferences by press and radio has been extensive and complete. Besides the local papers, which give the story a "heavy" play, the Indianapolis papers assign staff members to accompany the "Statehouse on Wheels" or the "Governor's Road Show," as it has been variously described in the press. The press services, the Chicago dailies, the Louisville *Courier-Journal* and several of the other large newspapers of the state have provided on-the-spot coverage of the clinics.

Radio stations also have had an important part in the advance publicity and in the actual coverage. Transcriptions featuring interviews with the Governor and other public officials have been scheduled in advance of the conferences. On the day of the event, stations have gone into the school auditorium and into the classrooms for direct broadcasts or transcriptions. Radio Station WLW of Cincinnati took one of its mobile units into Evansville and devoted an entire day to transcribing phases of the third conference. An edited half-hour program was broadcast to the nation that night.

Radio Station WIBC of Indianapolis covered the Evansville conference in much the same manner. It already has announced its intention to pick up all future conferences on a new wire recorder.

Among the highlights of the clinics are the press conferences which the Governor holds with high school journalists. Some of these have been broadcast by radio. The Governor is given no advance warning of what his listeners may have in store for him, and the questions cover a wide range.

At the last conference in New Albany, for example, he was questioned about the level of teachers' salaries, race problems (one Negro student was among the journalists), floor control and whether he favored the draft for 18-year-olds.

At one of the meetings the situation was fraught with potential dynamite. Shortly before the conference was scheduled, the Mayor, who is of the same political faith as the Governor, had issued a blast against the Governor and the breach was as yet unhealed.

During Governor Gates' high school press conference, one girl reporter asked: "What was the cause of the disagreement between you and the Mayor?"

Smiling, the Governor replied that the question was political and since such discussions were taboo at the conference he would decline to answer it.

Another girl, evidently thinking to help the Governor, declared:

"Our teacher told us not to ask such a question!"

### Clinics Kept Out of Politics

This is mentioned primarily to emphasize an important point in connection with all of the conferences:

Partisan politics has no share in their planning or execution. The Governor warned his department heads at the outset that politics were not to be discussed at any of the meetings. Nor were any political conferences to be scheduled on any of the clinic trips. Questions with a political tinge, whether from students or adults, were to be politely but firmly rejected.

Local sponsors are drawn from non-partisan groups. For the most part, the

local committees have been composed of representatives of the public schools, parochial schools, any colleges and universities in the communities, chambers of commerce and, in some instances, service clubs. In Lake County the Hammond *Times* and at South Bend the South Bend *Tribune* were among the co-sponsors.

### Attitude of School Officials

Perhaps one of the best indications that the conferences have remained free from politics has been the attitude of school officials. While some of them may have had some slight reservations in advance, these officials have been among the most enthusiastic about the meetings, on their conclusion. Without exception, they have praised the clinics for their practical educational value and have asked for "return engagements." Most of them have suggested inclusion of juniors or even the entire student body.

The Department of Commerce and Public Relations also has served as a clearing house for all arrangements concerning lodging in the temporary capital. With a critical hotel situation and with food shortages prevailing, centralized handling of reservations was imperative not only from a public relations standpoint but also to enable the hotels to accommodate with a minimum of confusion the members of the statehouse staff which must be housed and fed.

Parochial as well as public schools are invited to send students. So far, all schools within each area covered have accepted and have sent their entire senior classes. The system followed in dividing the pupils means that on the average all schools are represented in each department session.

At Evansville so many students came into the conference—more than 2,500—that two large high school buildings had to be used, with classes running all morning in each. Each department had to supply "teachers" and displays simultaneously for both schools. The Gover-

nor addressed two convocations.

Attendance has surpassed all expectations and has totaled more than 12,000 persons for the five conferences.

To avoid any possibility that the conferences might be dragged into the political campaign, they were discontinued after April, when many of the rural schools regularly close. They will be resumed after the November general election.

As a measure of outside acceptance of the merit of the conference program, the United States Junior Chamber of Commerce at its national convention in Milwaukee this last June adopted the Indiana Governmental Service Conference plan as one of its major policies for the coming year.

Under the direction of Jack Reich, former president of the Indiana Junior Chamber of Commerce and now national

vice-president in charge of governmental affairs, efforts are being made to have the Governors of each of the other forty-seven states adopt the "Indiana plan."

Mr. Reich expects to see the conference program in operation in several states this winter under auspices of state junior chambers.

In Indiana the program for this winter's series of conferences is now being developed. The Indiana Junior Chamber of Commerce is to act as principal sponsor for the 1946-47 series with each local chamber being assisted by other groups and organizations in the communities.

As an instrument of sound government and of good public relations, the Governmental Service Conference program has proved to be of exceptional value in Indiana for students, adults and public officials alike. All share in its great practical benefits.

## THE RESEARCHER'S FLAMING TORCH

(Continued from page 18)

Research was found to be a vital tool for improving group-relations during the recent war period. Much progress was recorded. Some observers predict that the continued development of the research tool may yet prove to be the serum which—like Bogolometz's—may prolong the survival of American democratic institutions, and perhaps rejuvenate them.

In 1941, Carle C. Conway, board chairman of the Continental Can Company,

told the 4A convention in Hot Springs: "Every business in these times has a special and extra responsibility for the preservation of the system of which it is a part."

Assuming that "disagreement is only based on misunderstanding," it is easily seen that the fact-finding results of the group-relations researcher can do much to bring more understanding.

*"If any man can convince me and bring home to me that I do not think or act aright, gladly will I change; for I search after truth, by which man never yet was harmed."*

MARCUS AURELIUS, *Meditations*.



# THE DISINTEGRATION OF PLANT-CITY RELATIONS

By D. D. McMAHON

Community Relations Specialist, Dixon, Illinois

**D**URING THE PAST FEW YEARS the reputation of proprietors, products, policies, procedures and personnel of a given business among employees, and in the community where the plant is located, has been identified by a number of different names. For the purpose of this discussion, let's designate this fundamental relationship by the term: "plant-city relations."

Many of us can recall (and somewhat wearily) an earlier day when plant-city relations were not as complex as they are today. Certainly anyone with a sense of historic implications must view with mixed emotions the disintegration of this most rudimentary relationship with the public.

## Plant-City Relations Have Disintegrated

Evidence is at every hand to indicate that the wholeness, the unity—yes, even the identity—of plant-city relations as we once knew it, has been destroyed.

Where once the proprietor himself symbolized the quality of the products produced—as well as the integrity of policies and procedures—a legal personality, the corporation, has taken his place.

D. D. McMAHON heads a firm specializing in community relations. It is unique in its field by virtue of the fact that it serves the community relations needs of manufacturers, organizations and institutions through newspapers exclusively. The McMahon organizations (Dixon and Chicago) number more than 100 midwest daily newspapers among their clients, and have worked with some 1200 manufacturers on plant city relations problems on behalf of these newspaper-clients.

And the successor has not been too successful in making and keeping friends.

Where once the proud trade mark of the product produced was the rallying point of employee morale, a stock number is sometimes the only local identification that remains. And even more significant is the fact that division of labor has made it difficult to recapture this spirit. Then too, the situation is rendered more difficult because of powerful forces that are at work that would completely eliminate these brand names, these trade marks that for years have been symbolic of the common creative intelligence and productiveness of every one in and closely associated with each manufacturing plant.

## Failure of Plant-City Programs

Plant-city relations have disintegrated. But even more distressing is the miserable failure of most programs intended to revive these all essential associations on an amicable basis.

Relations that were once handled by the big boss or bosses are now too frequently, by intent or circumstances, assigned to an industrial propagandist (usually with P/R title) with this admonition, "The same techniques that have sold management's products for the past 50 years certainly ought to be able to sell management itself."

It has been a dangerous and damaging approach to plant-city relations to visualize the situation as a sales problem. The techniques of mass-psychology used in selling "Bisquick" to Joe Doakes simply do not apply to selling top management to Joe Doakes.

### The "Why" and "Where"

Whenever the subject of plant-city relations presents itself, there seem to be two factors that are self-evident. One concerns conditions under which today's business must operate. The other refers to the geographical area where corrective action must be taken.

It goes without saying that the social, political and economic climate in which all business finds itself today is hardly conducive to efficient production and distribution. Millions of words have been written on this subject and I feel that there is little that I can add. There is also little doubt as to the place and area in which industry, individually and collectively, must create understanding.

Obviously, public understanding—whether muddled or discerning—finds its roots in those basic concepts of the plant, and of its place in the scheme of things, which prevail at any given time. Any change in the quality of that understanding necessarily involves a change in the concepts upon which that understanding is based. This is of great significance. It explains the influence of "grass-roots" regions upon the political destiny of the community—and in turn, of the state, and of the nation. What is of equal significance, however, is the fact that this also explains the influence of "grass-roots" regions upon the social and economic destiny of the community—and of the state and nation.

Now, it seems to me that too much has been said about the "why" and "where"—and too little about the "how" of plant-city relations. It may even be that many of us have been a good deal more volatile than valuable in this regard. "What we need," said E. F. Plumb, president of both the Streator Brick Company and the Streator (Ill.) Manufacturers Association, "is not so much to be 'sold' on the necessity of taking action as to receive tangible help and assistance as how best to do the job."

### Definition of Plant-City Relations

It is likely that the first step in creating better plant-city relationships is more a matter of simplification than definition. Yet, for the purposes of this discussion it might be well to define our subject.

Successful plant-city relations consists of two parts: 1) being a fair and square boss and citizen—that is, creating conditions that deserve employee and community support; and 2) getting credit for this conduct.

The lacking ingredient in most plants is the latter rather than the former. Industrial proprietors, products, policies, procedures and personnel have not received the credit that they deserve among employees or in the community or, for that matter, even among the owners and managers themselves.

### Research and Survey

A situation involving muddled human relationships can be corrected but those who seek a remedy must find out precisely what conflicting concepts are dominant in the minds of the various individuals or groups who are parties to the situation. This necessitates careful analysis of personnel records and opinion research in the plant, as well as in the city. Until this information is available for management to act upon, the muddled situation is bound to prevail simply because the confused and conflicting concepts which produce the muddled situation prevail.

When all available plant records have been closely scrutinized, and once opinion research in the plant and in the plant community has been instituted, and the information becomes available for management to act on, the second step remains to be taken. This second step consists of clarifying the concepts which research has indicated to have been responsible for the muddled and confused situation. Then and only then can objec-

tives be intelligently outlined and a program set in motion.

### **Suggested Objectives**

Objectives depend, of course, on the conditions individual to the plant and community but for our purposes the following should suffice:

1) To make industrial occupations more attractive to both present and prospective employees. People who like their jobs are more likely to attend regularly, hesitate before quitting, work at their best, and recommend the firm to their friends.

2) To create an employee and community attitude of mind that is receptive to a favorable interpretation of the acts and decisions of management.

3) To rekindle that pride, that sense of individual achievement as represented by the brand name of the product produced.

4) To cooperate with other industries in an effort to improve all community relationships.

### **Community Relations Set the Pace**

Products have always found a ready market in an area where natural conditions and promotional efforts have created a receptive atmosphere or market. Ideas, likewise, can most effectively be merchandised under similar circumstances. Therefore, it is of greatest importance that a firm extending plant-city relations activities should encourage and support a community relations program. Obviously, it is easier to make friends in a community of friends.

Community relations is neighborliness . . . and a program to improve these relationships between citizens, corporations, institutions, and organizations must, of necessity, be one in which every citizen and group of citizens can at least tacitly participate. It is not enough, and I might add, of limited consequence, for a group of manufacturers alone to project their views through advertising or other means.

Sponsorship and a community relations program must be as broad as the city itself, thus eliminating any suggestion of propaganda.

### **Cooperation Must Be Cultivated**

Once objectives have been defined and simplified, the approval and cooperation of strategic segments of plant and community life must be obtained.

Top management, plant personnel, organized labor, company agencies and counsel, newspapers and other media of plant and community contact, as well as institutions, corporations, and organizations that exercise influence at the local scene, must be oriented and eventually "sold" on the program.

These individuals and groups fall roughly into the following classifications that comprise the principal ingredients of all industrial public relations:

1) The manufacturing plant and its departments and personnel where policies and products are made.

2) The advertising agency and public relations counsel who traditionally have been called upon to interpret these products and policies.

3) The newspapers and other media of plant and community contact whose business it is to project policies and products into community life and thinking.

4) Citizens and groups of citizens that comprise the community.

Not infrequently we hear about the so-called lassitude of top management, the non-cooperative attitude of organized labor, the lethargy of plant personnel and the failure of newspapers to understand the problems and position of manufacturers as they relate to plant-city relations.

These factors are referred to as *causes* of bad relations when in reality they are *effects*.

Plant-city relations have disintegrated but the wholeness, the unity and the

(Please turn to page 39)

# THE INDISPENSABLE INGREDIENT

By REX F. HARLOW

President, American Council on Public Relations

THE VICE PRESIDENT of an eastern corporation was in my office the other day. An hour before he had addressed a national convention. His talk had brought down the house. As usual, he had been witty and trenchant and entertaining. He knew his speech had been a success. The applause had been deafening.

But here in my office, he sank down in the chair I proffered and gave a huge sigh. Instead of looking pleased, he actually appeared downhearted, disgusted — at odds with himself and the world at large.

"What is the matter with you?" I asked in surprise, having seen his sparkling performance a short time before.

His answer startled me. "You saw all those people in the audience taking down notes while I was speaking, didn't you?"

I knew instantly what he referred to. I had been much interested in watching his audience. Yes, nearly everyone had industriously taken notes.

"Well, not one of those people will do a thing about those notes. They never do. They go to meetings, listen attentively, and ask a lot of questions. But they let it go at that. All they want is to be entertained; they don't want to hear anything that will make them think. And they jolly well don't intend to be jarred out of their comfortable ruts. Oh, no; that wouldn't do at all!" He shrugged his shoulders and smiled cynically.

"Do you really believe that?" I asked.

"Of course I believe it, and so do you," he snapped. "It's the truth. I get despondent at times when I see an exhibition like this one today." He paused and looked moodily out of the window. "It's terrible! Convention and meeting halls all over the country crowded with busy people. All asking for information about public relations. They listen to anybody who ap-

pears to know anything about the subject. They applaud generously at every point. And they reach hungrily for every crumb of wisdom that is dropped.

"But when they get back to their offices, shops and stores do they take to heart what they have heard? They do not! They continue to go on the way they have been going. So what's the use? Why continue to waste the time of everybody in having these meetings and conventions? Why continue to talk so much about public relations and how important it is to all of us? I'll confess it's got my goat." He waved his hands helplessly.

In the course of the conversation that ensued the vice president said, "Take my own company, for instance. We use the services of a well-known firm of public relations counselors. They have been advising us for years. We've gotten along pretty well, but we're in a rut. We are doing the same old things in the same old way that we've always done them; and it's not even a good way!"

"We've been thinking for some time that we ought to get new blood in to show us how to meet the problems of today—not those of yesterday. We are living in a new world—how new not many of us realize. What worked yesterday might not—probably won't—work tomorrow. Today is the time to do something about it.

"Public relations—true public relations—is the only answer, of course. Our company, yours, and the other fellow's should be doing something *big* in public relations—*now*. We've got to study and discuss the subject, of course. But that is only the first step. Our big job is to get our public relations into action!"

He illustrated what he meant. He told of a certain banker in the south who had caught the spirit of public relations as it

applies to the present. This banker sensed that he could not get anywhere by trying to sell banking services as such to the public. People did not care about things like financial statements, discounts, transit items, and other technical terms dear to the heart of a banker. The job was to sell the bank's usefulness to the individual person—business man, farmer, merchant, lawyer, workman—in his community: *By their works ye shall know them.*

And so the banker started out to learn about his customers. He gathered as full information as he could about their individual services and products, about their officials and working personnel, about their customers, and so on. These facts he attractively spread upon bulletin boards set up in the lobby of his bank. The boards were so placed that everyone who came into the bank could—almost had to—see them. And people did see them! Not only did they see them but they talked about them. The bank had introduced an innovation! Many complimentary things were said about it. Of course, the officers and personnel of the companies presented on the bulletin boards were delighted and proud.

### Only a Beginning

Had the banker stopped with this one step he would not have accomplished much of permanent value. He would have been credited with having pulled a good stunt, to be sure; but that would have been about all. He was far too sincere and wise to make that mistake. The information he had gathered was for the purpose of learning about his customers. He was alert enough to make the most of publicity values which the operation offered. But that was only incidental—a dividend, so to speak—as he moved toward his true goal.

He found out what kind of banking services the business men of his community needed, and wanted. He learned the community currents that were flowing

about him. His investigations lead him into the trade territory beyond his city. As he became interested in the many problems and potentialities of customers the next natural step was to become a partner with them in their enterprises—that is, the kind of partner a sound banker can and should be.

### Real Public Relations

He helped finance worthwhile community projects. He encouraged the use of new and modern methods and tools in various industrial and business processes. He stimulated interest in building sound trade relations among the concerns in the city and between them and the surrounding territory on which they depended for support. He helped strengthen and develop the chamber of commerce and other organizations working for the good of business. He threw his support behind deserving community projects of numerous kinds.

The banker used the information he had gathered to make himself and his bank indispensable to the community. Did he and the bank prosper? Is there need to ask? How could a bank that had become the hub of so many important community activities fail to make money and grow? Business naturally gravitated to it. Good will for it developed on all sides. Business leaders were proud to say they did business with the bank that did so much for them and the community. *The bank proved that it was a good citizen.*

"That's what I mean by getting into real public relations work," said the vice president. "It's making public relations a part of every fiber of a business. It's doing the *natural* things that build good will. It's making your company useful in ways that cause your customers and the public to forget, or not to resent, your making money. Your efforts are for *them*. You don't go around talking about what a fine company you are: you prove it through useful deeds."

This is sound doctrine. To win success a person or a business has to earn it. But there are many kinds of success and as many ways of winning it. The process is a relative one.

In the matter of relativity is where the disconsolate vice president laid himself liable, in fact. He asked for more action and less discussion in public relations. One has to applaud this sentiment: it makes sense. But the two factors he mentions share a necessary relation: each is dependent upon the other.

Let us remember with philosopher Henri Bergson that consciousness is made up of *perceptions* and *conceptions*. Both play a part in living. We perceive through our senses and we conceive through our ideas. They are the fundamental team on which we depend to plan, undertake and accomplish. This is as true of public relations as of other things.

Thus it is necessary for us all to study, think and discuss public relations. Otherwise how can we come to understand and use public relations effectively? How else can we so well learn what public relations is? In what other way can we test our individual ideas about it? How otherwise can we measure our own accomplishments and shortcomings?

Bergson emphasizes *mobility* in this connection. Life is creative, full of change, he points out. The public relations worker cannot stand still in either his thinking or doing. If he doesn't go forward he goes backward. Thinking comes first, of

course; without thought action has no safe guide. But, says Bergson, "ideas become progressively clear by the use made of them; they owe then the best part of their luminosity to the light cast back upon them, through reflection, by the facts and applications to which they have led, the clarity of the concept being little else, accordingly, than the assurance, once it is acquired, of manipulating it to advantage."

### Use Laboratory Method

On this point we can heartily agree with the vice president. Ideas that are merely presented and discussed in conventions and meetings, with nothing done with them later, are largely wasted. Will they work? Can *I* make them work? These are the tests of their value. Put them into practical application and watch the results. Apply the laboratory method to them: see what the magnifying glass reveals. We may disagree as to the forms and values we individually see on the slide before us. But we can hardly disagree on the facts that are there. Therein lies the value of our looking together. We bring to the operation multiple study and interpretation; we exchange views and estimates; we jointly criticize and approve. The process is tremendously broadening and enlightening. Without it the errors of thought and action we individually make are liable to perpetuation and enlargement.

## II

**B**UT LET US NOT GO OVERBOARD on the matter. After all, meetings and conventions, lectures and discussions and the exchange of ideas and methods are nothing more than the outward expressions of inner thoughts and needs of public relations persons. These persons are not restricted to recognized practitioners. They are persons, whoever and wherever they are, imbued with a *true* public relations spirit. They may include the minister of

the gospel. Or the president of a bank. Or the workman sitting at his bench in a factory. It matters not whether one is called, or considers himself, a public relations man. If in his heart he loves people and thinks in terms of their welfare and happiness he has the spirit of *true* public relations. If he believes that the function of his company is to look after the interests of its customers and the public as faithfully as it looks after its own profits



and welfare he has the right public relations attitude. If he believes that the world, torn and divided as it is today, must apply the Golden Rule to our problems in order to have peace and prosperity again, he is a public relations man. If he feels the urge to do something about these things himself, is not content with only thinking about them and wishing other persons with more power and authority would take hold and do something, he wears the mantle of public relations.

There are those among us (some of them occupy high places in public relations) who urge that we spend no more time on study of what public relations is. They see little value in trying to determine whether public relations is or is not a profession. What is needed, the thing most important at the moment, is to develop public relations to the point where its *use* is perfected as highly as possible. We should concern ourselves only with what *will work* in our craft. Our task is to prove to ourselves and everybody we contact that public relations is a tool of great practical value.

### Shortsighted

A shortsighted policy this, if ever there was one! Our prime responsibility as public relations people is to study our calling from every conceivable angle. We need to do for public relations what John Dewey has attempted to do for philosophy—fully study and discuss its present state as it bears upon people. This is a necessity for professional public relations workers. And the interest of the public centers in such questions as: What is the distinctive purpose and business of public relations anyway? How is it related to those concerns and issues which stand out as the problems of men?

More even than this is demanded of us. Public relations is as yet without deep set anchors. Is it a craft, a calling, a profession, or merely a conglomeration of ideas, tools and methods bearing a label that

means little? What is its true base in our society? Why is it being chosen today to meet deep-felt human needs? Is it something real that will develop permanence, or only a current affectation that will fade with the passing of time, as soon as the new wears off and its popularity wanes?

As a matter of sound business alone, public relations should be scientifically studied and analyzed. Its limits should be clearly defined. It should be taken apart and shown for what it is. Either it should be proved to have the attributes of a profession or dismissed from that select society of organized, regulated human activities. When we use the term we should know what we are talking about, as we know when we speak of law, medicine and the other accepted professions.

Thoughtful, critical minds have to meet in careful inquiry and develop data and conclusions on public relations that are acceptable to all. We shall not have a profession or a calling or a craft until we have collected a body of scientific fact and won for it wider public recognition and acceptance.

It is true, as Dewey says, that in studying the *conditions* of knowledge (as it affects public relations) we must not "neglect the vital problem of its *consequences*, actual and potential." Even persons who object to the continued study of the structure of public relations should agree that we should systematically investigate the consequences of public relations activities. Using Dewey's words again, "such inquiry might hope to have some role, to play some part in development of attitudes in the community that are liberal, well tested and grounded in fact."

### Getting Rid of Outworn Attitudes

Then there is the negative task of "getting rid, by means of thinking as exact and critical as possible, of perpetuations of those outworn attitudes which prevent those engaged" in public relations reflect-

tion "from seizing the opportunities now open."

Public relations, as far as effective treatment in inquiry is concerned, faces a problem similar to that of other professions in years gone by. Let Dewey again state the problem: "The need is that there be now the kind of systematic and comprehensive criticism of current meth-

ods and habits and the same projection of generous hypotheses as, only a few hundred years ago, set going the revolution in physical knowledge. . . . Any inquiry, whatever name be given to it, which undertakes this kind of inquiry, critical and constructive, will not have to worry about its role in the world."

### III

**I**S IT REALLY NECESSARY that we have a tool, a procedure, a way of thinking, an ingredient like public relations to influence thought and action in directions good for men and institutions? And if so, why?

Man has philosophy, religion, science and art to guide his thoughts and acts. At his command are law, government and commerce with which to carry on more safely, efficiently and comfortably. The institutions of home, school and state protect and project the hard earned dividends of his unfolding civilization. What has public relations to add?

#### Ways of Doing Things Better

Well, always man gazes searchingly upon the universe about him, seeking explanations of its mysteries, laws and mutations as they affect him. And he studies himself intently to discover if he mirrors within the mysteries and laws that he sees without. Always he seeks new ways of doing things better. Maybe public relations offers the help he needs.

Time has produced many galvanic changes. Fire, the wheel, gunpowder, the clock have played conspicuous parts. Steam, electricity, radio have provided travel over land, by water and through the air, and communication by telephone, radio and television. Technical invention and scientific advances have reduced labor, increased comfort and extended life. Now comes the atomic fissure, jet propulsion and supersonics. And we are talking of harnessing the cosmic ray. All

these advances are mainly in the realm of technics and science.

Unfortunately man has not progressed proportionately in the social realm. Development of wisdom lags far behind the growth of skills. With untold resources at his disposal man has not learned what to do with his wealth. His life is infinitely fuller but little if any richer than it always has been. His relationships suffer most of all. Still the savage, although coated with a veneer of civilization, he continues at his brother's throat. Wars ravage the land; strife and turmoil are the order of the day. Obviously some element is sadly lacking. Could that element be public relations? Bold would be the one who asserts that it is.

#### One Approach

Yet many people look upon public relations as one of the ingredients in present world affairs that offers hope of helping save civilization. It is considered a way of life, by which through increased knowledge and broader understanding the world can make a generous approach to a new brotherhood of man. This is a philosophic, scientific and religious appraisal. It presupposes the Golden Rule as the foundation of public relations, and research and invention as its tools.

Another, and much larger, group of people considers public relations to be a craft. It provides tools and procedures by which the practical processes of modern living can be carried on more effectively and profitably. This view is economic. It

sees public relations as an outgrowth of new and intense problems that have arisen in business, government and other common affairs of modern life. It looks upon public relations as an evolution of necessity rather than a developing way of living.

Still another view holds that public relations is a recently discovered social tool. Its main use lies in the area of social conflict. Mobility is its principal contribution. With life processes having grown extremely complex, some organized force is necessary to keep relations between social forces oiled and smooth. People have to get along together; they do better when there are rules of the game to follow or at least when rules are available for them to follow. This calls for public relations.

Then there are persons who value public relations for the means it provides to probe the human mind. This is the psychological approach. To control or direct men's minds one must know what is being thought. Thinking must be measured, analyzed and catalogued. Public opinion is all-powerful. To learn what it is, to

support that which is constructive, and to oppose or re-direct that which is destructive is a noble activity. A tool is necessary to make such activity effective. That tool is public relations. The responsibility to use it is obvious.

Public relations is also approached from the biological standpoint. Man is a physiological being. He is a composite of physical hungers and urges. He is controlled by biological laws. Bodily needs and comforts rank high in his scale of values. The biology of his body is important in all he thinks, says and does. To harmonize it with other elements affecting his relationships with other people demands a tool adapted to that need. Public relations is the answer.

These are not the only approaches to public relations, by any means. But they are sufficient to indicate how indispensable an ingredient public relations is. It richly deserves our most careful study and analysis. We cannot learn too much about it in order to use it intelligently and effectively.

## THE CONFLICT OF TWO FAITHS

*(Continued from page 14)*

was that we conduct our business operations well and profitably. Now that will not suffice. Today, we can lose our business, and our industry can be undermined, regardless of our skill, our integrity and our ability. Today, we must have historic perspective, for now the foundations of our business demand broader interest and active participation.

Daily mounting evidence proves conclusively that the Standard Oil Company of New Jersey spoke correctly in its statement of principles: "It is clear that two faiths are meeting in conflict all over the world today . . . a belief in an expanding freedom and responsibility for the individual, versus a belief in an expanding authority of the State."

Are we prepared to do something about it? Or are we just going to keep on playing cops and robbers? And lose by default? The choice is ours. The verdict will be the American public's.

Abraham Lincoln said: "Public sentiment is everything. With public sentiment nothing can fail; without it nothing can succeed. He who moulds public sentiment goes deeper than he who enacts statutes or pronounces decisions. He makes statutes or decisions possible or impossible to execute."

The time to act is now. As the Disciple John said, twenty centuries ago: "Walk while ye have the light, lest darkness come upon ye."

# Accentuate the Positive

By KINSEY N. MERRITT

General Manager, Public Relations, Sales, and Training; Railway Express Agency, New York, City

**S**TARTLING IS THE TALK recently circulating that this nation was headed in the direction of another great depression. Fortunately, this dire prediction brought a quick denial from substantial sources that sought to arouse the flagging spirit of optimism.

It does, however, represent the ultimate in negative thinking, which during recent months has plagued our commercial and industrial life. It is incomprehensible how it has come to pass that a cloud of doubt, suspicion and defeatism now envelops the land and seemingly checked our national progress and prosperity. Few of us could foresee that, in a little over a year after peace came to a war-torn world, our domestic and international problems would stymie our production, delay reconversion and bring about an era of economic confusion and frustration.

Strangest of all is the fact that it comes at a time when the nation is far removed from even the fringes of depression. Yet we can see on all sides plain evidences of indifference, loss of ambition and downright laziness, in place of the competitive urge, ceaseless energy, alertness and resourcefulness, so characteristic of the American spirit. Undoubtedly, this is merely a temporary phase of our national existence, but the sooner it passes the better.

I am more interested in effects than in causes. In such a confused situation, industrial management finds itself behind the eight-ball. Whatever it does to meet competition, its activities and motives fall under suspicion. Controls of various sorts keep it supine to excessive demands of labor. At the penalty of work stoppages, business men must move cautiously but hopefully, lest they be held respon-

sible for all the economic ills of the day. Small wonder, then, that management now looks ahead in terms of defense, rather than with the enthusiasm and pride of the prewar era.

The time has arrived, I believe, for business interests of this nation to throw aside their aura of inferiority complex and act and think in positive terms. More than anything, I believe, we need a regeneration of the national spirit of patriotism and pride and faith in our industrial and business institutions. Why should we remain silent when all the ills of the nation and of the world are charged against American industry, which has been the savior of civilization during the two terrible global wars that have afflicted humanity within a single generation?

Call public relations a craft or a profession as you will, we can do much in leading our thinking back to sanity and restore the confidence of the American people in their own country and its ways of life and commercial processes. We must accentuate the positive side of our industrial picture. We should constantly stress the proposition that capital and labor live in "one world" and that one group cannot gain advantage at the expense of the other. Let us tell more about the achievements of our free enterprise system, the constructive activities of all our commercial institutions, large or small, and the vital part they play in the economic welfare and prosperity of the country.

In many ways, the public relations man is in a position to become the star salesman for the American system. In his intimate contact with the major industries of the country, whose best interests he is employed to foster, he can do much to bring about an end to the industrial

strife that has caused such desperate shortages and scarcities in food and other essentials and conveniences, with which we have lately been afflicted. All of the American people have been the victims in this situation, including the working man himself.

Nor should we overlook the fact that the very integrity of public relations, as a vital business activity, depends upon the character of the causes it seeks to promote. If any individual or group in this field stoops to foster questionable ideol-

ogies or special interests plainly detrimental to the best interests of the country, they are definitely undermining the usefulness of their profession. Let us not sacrifice, merely for temporary profit, the fine reputation and character of our craftsmanship and skill in national affairs. We must adhere constantly to a high code of ethics in everything we write, say or do.

That calls for the truth always, for, as the old saying puts it, the truth shall make you free.

## *A Profile:*

### KINSEY NEWTON MERRITT

WHEN HE GRADUATED from school in Baltimore, Md., some years back, Kinsey Newton Merritt, then just a lad, was not certain what business he wanted to make his calling. Without waiting to make up his mind, he decided to get a job and found an opening in the local express office. It was a clerkship with extremely long hours and meager pay, but it settled his own personal problem, once and for all; he had found his career. Today he can claim over thirty years of continuous association with the express service of the country.

During all of that time Merritt has had two particular hobbies, the first, meeting people and making new friendships; the second, widening his knowledge and understanding of human events. All the while, he has been active and prominent in church affairs. His personable traits won the attention of his superiors and led to his assignment to more important posts, calling for direct contact with the public. Eventually, he was assigned to the superintendent's office in Philadelphia, to be chief clerk and assistant to that official.

From his intimate knowledge of intricacies of the express business, it looked as though Merritt was destined to be an express operating man. But it was not to be, for he had shown a flair for salesmanship and proved himself a public speaker of exceptional ability. He was just the type of man needed for the job of traffic agent in the extensive Allegheny area, and he accepted the appointment.

His record in this traffic work led to his assignment to a post in the Traffic department in New York. But the express company had been public-relations minded long before the idea took hold in the transportation business. As early as 1924, such a department had been established at its headquarters in New York.

When the depression years of 1932 and 1933 caused severe decline in volume of express traffic, L. O. Head, president of the Express Agency, mobilized the entire express organization for an intensive business-getting effort, which, when in full swing in 1936, was placed in charge of a newly formed General Sales department, with Kinsey Merritt as general

sales manager. 1942 brought about a consolidation of General Sales and Public Relations, and today Merritt, as general manager, directs the public relations, sales and training activities.

In that important post, he has attained a unique and leading place among public relations practitioners and advocates in this country. He gives a broad interpretation to the term, implying that it calls not alone for public-minded action by top management, but for daily application by all employees who meet the public in person. He has been a member of the American Council on Public Relations for several years and has addressed many of the leading public relations groups on various occasions.

Nor has Kinsey Merritt relinquished any of his interests or affiliations in his favorite field of sales management. He served for two years as president of the National Federation of Sales Executives, of which he is still a member, as he is of the Sales Executives Club of New York. He is likewise a member of the Traffic Clubs of New York, Chicago and Boston;

and of the Public Relations Committee of the National Association of YMCA's. He is director of sales for the Expressmen's Mutual Life Insurance.

In Elizabeth, N. J., where he has resided since coming to New York, he takes an active part in civic activities, having been voted that city's "outstanding citizen of 1943." He is past president of the Elizabeth Rotary Club, former vice president of the Elizabeth YMCA; a member of the St. James Methodist church and teacher of its Chapel Class. He is also a lay leader of the Newark Conference of the Methodist Church.

Kinsey Merritt travels throughout the United States for his company, the Railway Express Agency, and has addressed various business and service clubs all over the country. In fact, he has gained considerable renown for his addresses on inspirational subjects, topics of the day, and a wide range of other topics, and is in constant demand as a public speaker. His home is at 1045 Galloping Hill Road, Elizabeth, N. J.

## Book of the Year-1947

**M**ORE THAN one hundred authors will present their ideas on important public relations topics in Volume III of *The Public Relations Journal*.

Each monthly issue of the JOURNAL contains from ten to fifteen illuminating articles by leaders in the public relations field. Volume III—the twelve issues of 1947—will provide readers with 480 pages of current public relations plans, ideas, principles and techniques. In two years *The Public Relations Journal* has become the most widely quoted publication in the field with distribution throughout United States, Canada and a number of foreign countries.

The JOURNAL provides an *ideal Christmas* gift for your business associates, clients and friends. Gift subscription orders placed now will start with the January, 1947, issue. The subscription price is \$5.00 a year. Orders should be directed to the American Council on Public Relations, 369 Pine Street, San Francisco 4, California.



# THE WEATHERVANE

By VIRGIL L. RANKIN

Director, American Council on Public Relations

## Challenge and Responsibility

If private enterprise is to obtain it will depend largely upon the kind of job done by public relations executives representing American business and industry. This is the belief of James F. Bell, chairman of the board, General Mills, Inc., as expressed in a talk before the San Francisco Bay Area Chapter of the American Council on Public Relations on November 5.

Mr. Bell is himself one of the leading public relations practitioners of the country. When he left the presidency of General Mills to assume chairmanship of the board, he retained supervision of two major company activities—research and public relations.

Bell further stressed the importance of educating the youth of our nation in the fundamentals of our American system. He pointed out that Hitler used this method to further his *false* philosophy; we must use it to rebuild faith in and understanding of the capitalistic system which has built this nation.

## None So Small

The public relations bulletin of the Southern Newspaper Publishers Association is performing a consistently fine service in informing association members regarding good public relations practice among other industries.

A recent issue of the *Bulletin* tells readers that "no business enterprise is so significant that it can limit its public relations to a single group or technique or medium. The public judges a business for everything it says or does or causes to be said or done. Producer and consumer; employer and employee; the company in its association with other businesses ranging from subsidiaries to competitors, relations with benevolent and charitable institutions, business and government—

all these are subjects of public interest and a part of public relations. Many large industrial concerns now regard them as such and employ a public relations director to coordinate all these activities.

"Publishers may not be able to afford a large staff of public relations 'experts,' but they can borrow a page from the policy of our more progressive corporations and recognize public relations as an overall staff function and an integral part of their business."

## Most Unusual

"One of the most unusual enterprises in today's journalism" is the way in which *Editor and Publisher* (October 26) describes a new publication launched as a spokesman for private enterprise.

The publication, a newspaper, is published in Los Angeles, California, every Friday. Titled *Southern California Forum* it is predicated on the premise that if labor unions have their newspapers so should manufacturers and merchants. Ed E. Herwig, former Detroit, Albany, New York, and Cleveland newspaperman, and more recently editorial writer for the *San Diego Daily Journal*, is editing the new paper. *E. and P.* reports that the content of the new sheet will deal specifically with employer-employee economics, and that through its columns management must present facts—facts as trustworthy and pertinent as direction signs on a highway—in order to achieve understanding about the profit or free enterprise system.

Don Belding of the advertising firm of Foote, Cone and Belding, who has long carried the guidon for free enterprise, played a major part in bringing the new publication to fruition.

## Others, Too

Private enterprise is gaining spokesmen

on every hand. Two more activities, announced last month, are designed to promote and protect private enterprise. One is an Iowa magazine titled *Iowa Business*. The other is a unique, new pressure group organized under the intriguing name "Tool Owners' Union," with headquarters in Lexington, Massachusetts.

TOU is the brain child of Allen W. Rucker, president of a Massachusetts management counseling firm. Full-page advertisements in the *New York Times* and other big city dailies are being used to explain the basis of the TOU creed which, simply, is that production tools are the very foundation of America's strength and material well-being, and that without these tools workers could produce barely enough to exist. *Tide* (October 25) carries a detailed report of the new organization, its aims and objectives.

### ***It Pays Dividends***

"Before utilizing objective hiring procedures to engage new personnel, it may pay dividends to offer your present staff an opportunity for lateral transfer," writes Edward C. Webster in *Canadian Business*. "In every company," Mr. Webster observes, "there are workers who like the firm but not their present job. Some of these may be able to fill your vacancies as they arise. In any case, they will appreciate that your company will consider them for transfer just as carefully as the company down the street will consider them for employment."

### ***In the United States, Too***

Mr. Moray Sinclair, supervisor of public relations, The T. Eaton Company, Ltd., Toronto, recently told the Advertising and Sales Executive Club of Montreal that it was high time businessmen assumed the responsibility of getting rid of the old East versus West and Maritime's versus Central Canada animosities. He pointed out that a continuance of these animosities is bad for business and unity, and that every effort to cause their dis-

appearance would be in the interests of the future of the nation.

What Mr. Sinclair has said of Canada may be said with equal significance of the sectional disputes in the United States. There has never been a time when a united front was as important as it is today. This, too, may well be a task for public relations.

### ***At the School Level***

It is no mean task to create a film to meet wide acceptance in schools but the Institute of Life Insurance under the direction of Holgar Johnson, its president, seems to have accomplished this with its new film, "The Search for Security."

*Film World*, a non-theatrical film magazine, says that the picture is particularly useful in schools because of its careful and complete handling of the subject of life insurance.

In producing the picture, elaborate research was done to insure authenticity of script, casting sets, and costumes. In one sequence, for example, set designers have accurately reconstructed the famous Slaughter's Coffee House of the 1690's, a typical meeting place for early insurance brokers and clients of old-time London.

### ***Good Advice***

Clem Whittaker, editor of *California Feature Service*, advances a bit of sage advice when he writes:

"To make of the election a complete triumph of democracy, one responsibility remains upon all men of good will—the duty of forgetting the riled tempers and heat of battle, accepting the will of the majority, and getting back in unity to our common, endless task of building this great and glorious nation."

### ***The Muzzle Is Removed***

No longer is an employer, accused of unfair labor practices, required to stand mute because of the National Labor Relations Act. The recent ruling of the United States Circuit Court of Appeals in

St. Louis, Missouri, declares that the employer has the right of free speech to defend himself and maintain his employees' loyalty.

In a unanimous decision, the court denied an NLRB request for enforcement of a directive against Montgomery Ward and upheld the company's right to present its views to employees before an NLRB collective bargaining election. The decision is direct and specific. It says, "... the right of free speech is not limited to any class and is not denied to an employer." As David Lawrence comments: "The decision is so clear-cut as to remove any substantial doubt that the Constitution still supersedes the Wagner Act."

#### **Emphasis on Productivity**

The *Sunday Herald*, Bridgeport, Connecticut, recently published an "Industrial Peace Supplement" setting forth the views of industrial and labor leaders on the problem of creating industrial harmony.

Emil Schram, president of the New York Stock Exchange, was among the contributors. He said, among other things:

"With very few exceptions, the attitude of our business men toward the cause of labor is most constructive and forward-looking. The usual comment of such business men is in this vein: There are distinct advantages to the national economy in a generous wage policy, but we must get back our prewar efficiency. We must reach maximum volume of high

quality goods at the lowest possible cost to the consumer, for only through *large-scale production* can we reach maximum employment."

#### **In the Same Vein**

Eric Johnston, president, Motion Picture Association, says that the great challenge to free labor and free management today is this: "The whole world is breaking its neck trying to emulate American production methods, and we're breaking our necks trying to run away from them.

"If we're going to continue to furnish leadership to the world, we can't afford to abandon the doctrine of *production*. . . . In my opinion, the American union today which does not believe in *full production* is doomed to oblivion as something anti-social."

#### **Our Entire Future**

Added emphasis is given to the statements of Messrs. Schram and Johnston in the words of Paul G. Hoffman, president, Studebaker Corporation. He warns:

"The entire future of our country rests upon our finding a sound answer to the question of what a government of free people can and should do to promote the attainment of an economy of *abundant production* and employment."

He points out that it is going to take courage, imagination and toil on the part of all of us if we are to find the "sound answer" before it is too late.

## **DISINTEGRATION OF PLANT-CITY RELATIONS**

(Continued from page 27)

identity of these vital associations *can be restored*.

It is being done! For example, the 52 Michigan and Indiana newspapers represented nationally by Scheerer and Company, Chicago, have set up a long range community relations program for the express purpose of creating a local "attitude of mind" that is friendly and receptive

to all public relations activities of business and industry. In such a climate a number of plant-city relations programs are obtaining results beyond all expectations. Here enlightened plant-city relations is making friends for the proprietors, products, policies, procedures and personnel of industry *in a community of friends*.

## *Books for Business Executives and Public Relations Directors*

### **HOW TO CONDUCT CONSUMER AND OPINION RESEARCH**

The Sampling Survey in Operation

Edited by ALBERT B. BLANKENSHIP, *Author of "Consumer and Opinion Research"*

This book draws upon the compiled experience and wisdom of twenty-nine authors from over twenty different backgrounds of industry and government experience to describe in operational detail the numerous methods of measuring public responses for commercial and public purposes. Among the topics treated are market research on production development, on branded goods, on advertising copy and copy testing, on radio reactions, public relations response and the like. \$4.00

### **PUBLIC RELATIONS**

A Program for Colleges and Universities

By W. EMERSON RECK, *Director of Public Relations, Colgate University*

This book is unique in supplying a comprehensive, vivid and anecdotal discussion of a public relations program for colleges. It includes principles, organization set-up and description of various type of publics with which relations have to be satisfactorily maintained. Its discussion is so basic and suggestive as to be of value to all public relations executives. \$3.00

### **THE ART OF PLAIN TALK**

By RUDOLF FLESCH, *Author of "Marks of Readable Style"*

Everyone will find this book a gold mine of information for improving his ability to communicate more directly and forcefully. "The Art of Plain Talk offers specific, eye-on-the-word criticism of bad writing. (Dr. Flesch practices what he teaches.) It offers much good advice about the art of learning to write so people can understand you."—*Christian Science Monitor*. "I believe this is the most useful and important book to writer that I have ever read."—C. B. Larrabee, *Printers' Ink*. \$2.50

### **ECONOMICS IN ONE LESSON**

By HENRY HAZLITT, *Editorial Department, The New York Times*

A brilliant, searching analysis of the economic fallacies most popular today and the central error from which they stem. "If people wish to disperse the illusions which push pressure groups and politicians all over the world to economic cannibalism and universal impoverishment, they will form little societies to further the sale and influence of Mr. Hazlitt's incisive economic 'lesson'."—John Chamberlain, *New York Times Book Review*. \$2.00

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